



OFFICE OF INSURANCE AND SAFETY FIRE COMMISSIONER

RALPH T. HUDGENS
COMMISSIONER OF INSURANCE
SAFETY FIRE COMMISSIONER
INDUSTRIAL LOAN COMMISSIONER

SEVENTH FLOOR, WEST TOWER
FLOYD BUILDING
2 MARTIN LUTHER KING, JR. DRIVE
ATLANTA, GA 30334
(404) 656-2056
www.oci.ga.gov

August 20, 2015

Brian Hays
Partner
Locke Lord LLP
111 South Wacker Drive
Chicago, IL 60606

By Email to Bhays@lockelord.com

Re: Proposed Acquisition of Control of Humana Employers Health Plan of Georgia, Inc. (“Humana”) by Aetna Inc. (“Aetna”) – Questions Regarding Impact Upon Competition O.C.G.A. § 33-13-3(d)(1)(B).

Dear Mr. Hays:

As we discussed during our conference call yesterday, August 19th, the Medicare Title XVIII market table set forth in our Department’s initial letter regarding the captioned matter, dated August 12, 2015 (“Initial Competition Letter”), is missing a substantial set of premium data, which is material to the aggregate market share although it does not impact the presumed violation of the competitive standards for the Medicare Title XVIII market. In the original chart the DWP for United Healthcare Group was \$473,242,363 rather than the correct DWP of \$1,749,949,012. Below is the replacement section II. C., which has been amended to reflect the correct data. Please utilize this set of Medicare Title XVIII market data when responding to the inquiries in the Initial Competition Letter.

C. Medicare Title XVIII¹

Name	Medicare Title XVIII DPW	Medicare Title XVIII
UNITEDHEALTH GRP	\$ 1,749,949,012.00	35.40%
Anthem Inc Grp	\$ 1,236,527,427.00	25.02%
HUMANA GRP	\$ 895,514,324.00	18.12%
AETNA GRP	\$ 381,403,896.00	7.72%
WELLCARE GRP	\$ 310,806,008.00	6.29%
KAISER FOUNDATION GRP	\$ 219,418,343.00	4.44%
CIGNA HLTH GRP	\$ 71,757,906.00	1.45%
Piedmont WellStar Hlth Plans Inc	\$ 53,935,615.00	1.09%
Torchmark Corp Grp	\$ 11,494,769.00	0.23%
UNIVERSAL AMER FIN CORP GRP	\$ 8,401,399.00	0.17%
HealthMarkets Grp	\$ 2,033,214.00	0.04%
Aegon US Holding Grp	\$ 729,900.00	0.01%
Symphonix Hlth Ins Inc	\$ 485,584.00	0.01%
CENTENE CORP GRP	\$ 296,375.00	0.01%

The Medicare Title XVIII market is highly concentrated with the top 4 insurance groups controlling 86.26% of the market pre-acquisition and 92.55% post-acquisition. The Humana group of insurers control 18.12% of the Medicare Title XVIII market and the Aetna group of insurers control 7.72% of the Medicare Title XVIII market pre-acquisition and the Aetna group will control 25.84% post-acquisition. For purposes of applying the Competitive Standard the Humana group is Insurer A and the Aetna Group is Insurer B. The Humana Group controls greater than 15% of the Medicare Title XVIII market and the Humana Group controls greater than 1% of the Medicare Title XVIII market. Consequently, the transaction proposed in the Form A constitutes a prima-facie violation of the Review Standards.

Please feel free to contact me with any questions.

Regards,

/s/ Trey Sivley

Trey Sivley, Esq.
Director of the Division of Insurance and
Financial Oversight

¹ The market data for Title XVIII Medicare is taken from the state page of the Annual Statement and includes life blank and health blank filers.

Cc: Scott Sanders (via email)
Courtney Faust (via email)
Margaret Witten (via email)
Vince Wiegand (via email)
Jay Florence (via email)
Tim Farber (via email)